

Brexit Update Webinar: EU-UK Deal Impact on Businesses & Support Available

7th January 2020



Greater Manchester
Chamber of Commerce

What we will cover today?

10:00 a.m. Welcome and house keeping

10:05 Brief EU-UK Trade Deal Impact Overview – focus on Export and Import of Goods and Services, Susana Cordoba, Head of International Trade at GM Chamber

10:15 Expert Panel (Q&A) – Rules of Origin, FTAs, VAT, Customs Declarations

- Jose Marial Vinals, Partner at Squire Patton Boggs. International Trade & Sanctions.
- Marc Sevitz, Commercial Operations Manager at @re: TRADE powered by VAT IT.
- Amy Swindells, Int. Trade Operations Manager at GM Chamber

10:45 Business Support Available

- Jeff Bowcock, International Trade Development Manager at the Business Growth Hub
- Bobbie Charleston-Price, Team Leader and International Trade Adviser at DIT North West
- Amy Swindells, Int. Trade Operations Manager at GM Chamber



2. EU-UK Trade Deal – What businesses need to know



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EU-UK TRADE DEAL IMPACT OVERVIEW

Deal



- 1,246 Page Agreement
- £668bn worth of trade
- Largest Trade Deal ever signed by the EU
- Backed up by 27 EU States to be 'Provisionally applied' at the end of the transition period.



GOODS

Issue	What the Agreement say?	What that means for businesses?
Tariffs and Quotas	<ul style="list-style-type: none"> No tariffs or quotas on any goods <u>that qualify</u> Depending on meeting rules of origin (RoOs) Not all goods will be able to meet RoOs Full Bilateral Cumulation permitted (UK & EU content) 	<ul style="list-style-type: none"> Will help maintain competitiveness of certain products by no adding additional import duties – especially for UK consumers UK companies will be able to count EU content to claim origin and thus access preferential duty rates and EU companies can use UK content to claim EU origin. However, EU/UK traders must ensure to meet Rules of Origin threshold percentages for content and can provide proof of origin(*) Some businesses will need to carry out a supply chain check to ensure they meet the percentage thresholds for content. For example: Toys, games and sports requisites; parts and accessories (Chapter heading 95) - MAXNOM (maximum non-originating material) – 50% (EXW) EU content can be included in a number of the UK Trade Agreements the UK has signed with 3rd countries.

***Claiming Preferential Origin – Statement of Origin**

- 1) Self–certification by Exporter (standard)**
- 2) Self Certification by the Importer (newish)**



GOODS

Issue	What the Agreement say?	What that means for businesses?
Sanitary and phytosanitary standards	<ul style="list-style-type: none">• The UK and the EU will maintain <u>separate regimes</u> regulating human, plant and animal health.• The agreement places a duty on both sides to ensure that any sanitary and phytosanitary (SPS) border controls are “proportionate to the risks identified”.• New Requirement for Export Health Certificates & Phytosanitary Certificates	<ul style="list-style-type: none">• Whilst the trade deal aims to keep checks to a minimum, these will not be removed.• Traders will incur in higher costs on GB-EU trade with controls applicable from 1st Jan. (e.g. checks, specialist paperwork – export health certificates & physical inspections, etc)<ul style="list-style-type: none">• EU imports into the UK will have phased approach for the first 6 months.• For GB-NI also required but UK & EU have agreed ‘grace periods’ and mitigations.



GOODS

Issue	What the Agreement say?	What that means for businesses?
Product & Regulatory Compliance	<ul style="list-style-type: none">• To provide goods to UK or EU markets, businesses need to meet both sets of standards and regulations• Both the UK and the EU are obliged to carry out impact assessments of any changes to technical regulations; and if one party deviates from international standards, at the request of the other party, it must explain why it has chosen to do so.• The agreement limits some technical barriers to trade by allowing businesses selling some low-risk products to self-certify that their goods meet the relevant UK or EU standards, in areas where this practice already exists.• However, it still permits either party to require other goods be certified by a third party or its own government authority.	<ul style="list-style-type: none">• The agreement puts a number of measures in place to encourage both parties to minimise technical regulatory divergence, and encourage the use of international standards. This aims to avoid, where possible, businesses trading in the UK and the EU having to comply with two different sets of rules and regulations.• The agreement falls short of the broad ‘mutual recognition of conformity assessment’ the UK was asking for, which would have allowed UK bodies to certify that products meet EU standards. Meaning that many goods will have to undergo two sets of conformity assessments rather than one, adding additional costs and complexity for businesses.• There will be ‘grace periods’ for goods placed in the UK market (e.g. CE Marking and for food labelling)



GOODS

Issue	What the Agreement say?	What that means?
Customs and trade facilitation	<ul style="list-style-type: none">• The agreement provides for mutual recognition of Trusted Trader Schemes (AEO), allowing for streamlined customs procedures for eligible traders.• The UK and the EU have also agreed to work together and exchange information on customs and VAT matters to prevent fraud and recover unpaid duties.	<ul style="list-style-type: none">• The deal will not remove the need for customs declarations and paperwork for GB–EU traders (expected to go from 50 mill to 270 million per annum), but will allow for simplified forms to minimise the costs and time implications for businesses eligible to use trusted trader schemes.



SERVICES

What the Agreement say?

The UK and the EU have agreed to make commitments on:

- market access for services
 - national treatment (prohibiting discrimination between their nationals)
 - local presence (banning parties from requiring a local subsidiary to be set up before services can be provided).
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- They have also agreed a **most-favoured nation clause**, which ensures that if either the UK or the EU gives more favourable terms to another country in future, those terms will automatically extend to the UK/EU.
 - **All of these provisions are subject to a long list of exceptions listed in annexes.** These vary from one member state to another.
 - Special provisions apply for delivery, telecommunications, and maritime transport services.
 - **Financial services market access** is subject to a complete carve-out for prudential measures. Both EU and UK have declared intention of reaching an MOU with a view of both sides recognising each other's financial regulations as equivalent.

What this means for businesses?

- UK nationals will not, for example, be able to sell actuarial services in Italy or construction services in Cyprus. They will not be able to be surveyors in Bulgaria or tobacconists in France.



SERVICES

What the Agreement say?

- **Mutual Recognition of qualifications:** The EU and UK have agreed a framework for the recognition of qualifications based on the EU's recent FTAs – However, this still requires clarity, as applications may be submitted in some individual countries for qualifications to be accepted.
- **Rules for Business Travel** - UK short term visitors can travel to the EU for 90 days in any 180 day period; and there will not be work visa permit requirements for establishment purposes.

What this means for businesses?

- Same as before, it will limit some UK professions in being able to provide services in certain EU states.
- Business Travel will facilitate the 'doing business' between EU-UK Traders and for those seeking to establish presence in each other markets.



3. EU-UK Trade Deal – Impact for Businesses Panel



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SQUIRE 
PATTON BOGGS

VAT 

4. Business Support Available via Business Growth Hub, DIT and Chamber



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Business Support Available

Business Growth Hub - [GC Business Growth Hub: Resources to support and grow your business | GC Business Growth Hub](#)

Department for International Trade (DIT) - [Department for International Trade - GOV.UK \(www.gov.uk\)](#)

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[GMCC International Trade Services](#) - including export/import readiness assessments, market entry, documentation, Foreign exchange, cargo insurance, credit export insurance, customs declarations, training, customs compliance audits, bespoke advice, export health certificates, VAT advice and more.

[GMCC Brexit Hub](#) - Free resources and tools



THANK YOU FOR JOINING!

For further support from the GMCC Trade Team:

General International Trade & Brexit queries:

Exportbritain@gmchamber.co.uk

Customs Declaration Brokerage Service:

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